

REMARKS

In the Office Action the Examiner has rejected claims 1 and 16 for being directed to non-statutory subject matter. Also, claims 8 and 9 have been rejected for insufficient antecedent basis. Further, claims 1, 7 and 10-15 have been variously rejected for being obvious in view of selected references. The Examiner, however, has also indicated that claims 2-6 and 17-20 can be rewritten to become allowable. As a collateral matter, the Examiner has also requested the submission of a PTO form 1449 for initialing.

In response, claim 1 has been amended, as suggested by the Examiner, to include all of the limitations of claim 2. Accordingly, claim 2 has been canceled and claims 3 and 5 have been amended to depend from amended claim 1, rather than claim 2. Further, claim 1 has been amended to require that the method of the present invention use a system for the completion of an encrypted commercial transaction. Independent claim 16 has been similarly amended. Support for these amendments is found in the specification beginning on page 3 at line 17 and continuing onto page 4 through line 3. In addition to claim 2, claims 11-15 have been canceled. Consequently, claims 1, 3-10 and 16-20 remain pending.

Amendments to the claims have been made to improve the readability of the claims, to more clearly define the structure and to point out the features which distinguish this invention over the cited art. Reconsideration of the still pending claims is respectfully requested in view of the above-recited amendments and the arguments set forth below.

Information Disclosure Statement

A PTO Form 1449 is being submitted herewith, as required by the Examiner. This same form, however, was previously submitted with the parent application, and a request was made to forward the information from the parent application into the present case. If there are any additional requirements in this regard, attorney for Applicant can be contacted telephonically to resolve the matter without undue delay.

Rejections under 35 U.S.C. § 101

Claims 1 and 16 were rejected under 35 U.S.C. § 101 because the Examiner contended they were directed to non-statutory subject matter. Both claims 1 and 16, however, have now been amended to specifically require that the claimed invention is a method for using a system, to complete an encrypted commercial transaction. Applicant contends this language specifies a practical application (i.e. use of a system) that produces a useful result (i.e. completion of a commercial transaction).

For the reasons set forth above, Applicant believes the basis for rejecting claims for not being directed to statutory subject matter has been overcome and should be withdrawn.

Rejections under 35 U.S.C. § 112

Claims 8 and 9 were rejected under 35 U.S.C. § 112, second paragraph for a lack of antecedent basis for "said decrypting step." Both claims 8 and 9 have now been amended to depend from amended claim 1, and amended claim 1 establishes the requisite antecedent basis.

For the reasons set forth above, Applicant believes the basis for rejecting claims for not having a proper antecedent basis has been overcome and should be withdrawn.

Rejections under 35 U.S.C. § 103

Claims 1, 7 and 10-14 have been rejected under 35 U.S.C. § 103 for being unpatentable over various cited references.

Claims 11-14 have been canceled. Further, claim 1 has been amended to include the limitations of both original claims 1 and 2, to thereby present an amended claim 1 which the Examiner has indicated would be allowable. Still further, claims 7 and 10 depend from amended claim 1. Accordingly, because only allowable claims remain, there is no need to specifically address the cited references.

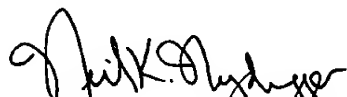
For the reasons set forth above, Applicant believes the basis for rejecting claims for being patentable has been overcome and should be withdrawn.

In conclusion, Applicant respectfully asserts that claims 1, 3-10 and 16-20 are patentable for the reasons set forth above, and that the application is now in a condition for allowance. Accordingly, an early notice of allowance is respectfully requested. The

Examiner is requested to call the undersigned at 619-688-1300 for any reason that would advance the instant application to issue.

Dated this 22<sup>nd</sup> day of July, 2004.

Respectfully submitted,



NEIL K. NYDEGGER  
Attorney for Applicant  
Registration No. 30,202

NYDEGGER & ASSOCIATES  
348 Olive Street  
San Diego, California 92103  
Telephone: (619) 688-1300